



Office of the City Manager
City of Frisco, Texas

Memorandum

To: Mayor and City Council

From: Ron K. Patterson, Assistant City Manager

CC: George Purefoy, City Manager

Date: October 13, 2008

Re: Impact Fee Agreement for Custer Bridges Development at the Northwest Corner of Custer and SH121

Action Requested:

Consider and act upon a Resolution authorizing the City Manager to execute an Impact Fee Agreement by and between the City of Frisco and Custer Road Marketplace, Ltd for thoroughfare impact fees.

Background Information:

On August 19, 2008 the City Council approved a Section 380 retail sales tax grant for this Property to be used as a stimulus for retail development. That agreement called for an additional three hundred thousand square feet (300,000sf) of retail development on the Property (53.1509 acres) and such development must have a total minimum value of sixty million dollars (\$60,000,000). The agreement additionally contained a number of minimum development criteria such as compliance with the Form Based Code, compliance with a United States Corp of Engineers permit, façade requirements, delivery dates, and more.

We have subsequently determined that there is a way to obtain burial of the electric utility lines on this Property which is another gateway into the community. Since there will be future right-of-way ("ROW") required for road improvements in and along SH121 and Custer Road we have developed a simple agreement that requires the future dedication of the ROW, with thirty (30) days written notice, with no cost to the City. In addition to the consideration of ROW that must be dedicated there is also a provision that requires the electric utilities lines that are in place at the time of development be buried. The city's

obligation is simply to reduce the thoroughfare impact fees to \$15,000 per acre. This is a typical provision in exchange for ROW dedication but in this case the City would also see the benefit of obtaining burial of the utility lines. This provides a savings to the developer in approximation to what it will take to bury the lines thus allowing the developer to divert this amount to burying the utility lines along the Property. The developer wishes them to be buried as well to enhance the Property. This proposal would not work in all circumstances or locations but in this particular situation where the Property is located and the nature of the development this proposal makes for a win-win for both parties.

Alternatives:

The City Council could consider the following alternatives:

- Table the Resolution.
- Not pass the Resolution.
- Direct staff to make changes or modifications as directed.

Financial Considerations:

None.

Legal Review:

This agreement has received review of the City Attorney.

Supporting Documents:

- Resolution
- Proposed Impact Fee Agreement

Staff Recommendation:

Staff recommends passage as submitted.